



July 27, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

RE: Request to Continue and Extend Prior Approved Nuclear Outage
Accrual Mechanism to V.C. Summer Nuclear Station Refueling Outage
No. 26
Docket No. 2020-____-E

(This filing does not involve any change to the retail electric base rates
or natural gas base rates of Dominion Energy South Carolina, Inc.)

Dear Ms. Boyd:

I am writing on behalf of Dominion Energy South Carolina, Inc. (“DESC” or the “Company”) to request that the Public Service Commission of South Carolina (“Commission”) extend the application of the Nuclear Refueling Outage Accrual Mechanism established by Order No. 2012-95 until the effective date of the order on the merits in Docket No. 2020-125-E which is the Company’s next electric base rate proceeding. The requested extension will affect accounting matters only and will not affect rates or other charges collected by the Company. Absent Commission action, the Nuclear Refueling Outage Accrual Mechanism will be deemed to have expired on June 30, 2020, pursuant to the accrual time period authorized by Order No. 2012-951.

By way of background, nuclear refueling outages occur every 18 months, not annually. For that reason, their costs are concentrated in some years and much lower in others. In addition, the expense of individual outages varies according to the maintenance work to be done and the equipment to be replaced or refurbished in them. The current Nuclear Refueling Outage Accrual expense was set in DESC’s last rate proceeding, Docket No. 2012-218-E. In that proceeding, DESC presented the forecasted costs for V.C. Summer Nuclear Station Refueling Outages Nos. 21-25. These were the outages planned during the 90 months following that proceeding.

Based on that information, the Commission established a levelized charge of \$1,432,401 per month to be recorded to the Nuclear Refueling Outage Accrual Account. See Order No. 2012-951 at pp.32-34. The order provided for the Company to charge the actual costs of Refueling Outages Nos. 21-25 to this account. The order provided that any over-collected or under-collected balance in the account would be carried forward with carrying costs from one outage to another.

Since January 1, 2013, when the rates approved by Order No. 2012-951 took effect, DESC has accrued \$128.9 million under the approved accrual and its actual costs were \$132.1 million. The current undercollected balance in the Nuclear Refueling Outage Accrual account is \$3.2 million, a variation of less than 2.5% from the 2012 projection.

In its forthcoming electric base rate proceeding, the Company will ask the Commission to extend the Nuclear Refueling Outage Accrual Mechanism through Refueling Outage No. 30. The Company will provide information about its planned expenses for Refueling Outages Nos. 26-30 and will ask the Commission to reset the monthly Nuclear Refueling Outage Accrual to reflect that amount as well as the \$3.2 million undercollection carried from the existing accrual. Nothing requested here will limit the scope of the Commission review of nuclear refueling outage expenses or the Nuclear Refueling Outage Accrual Mechanism in Docket No. 2020-125-E.

The Nuclear Refueling Outage Accrual Mechanism benefits customers by allowing variations in annual outage expenses to be levelized across a five-outage cycle. This levelizing allows the Company to plan the work to be done in outages for maximum efficiency without consideration of extraneous factors like annual budgeting constraints. From a timing standpoint, levelizing the peaks and valleys in refueling outage expense more uniformly spreads that expense over a period in which the electric service it supports is provided, creating a better matching of expense to service received by customers. In addition, all amounts recognized under the extension requested here will be taken into account in the monthly nuclear refueling outage expense to be established under Docket No. 2020-125-E.

For these reasons and pending the issuance of the order in Docket No. 2020-125-E, DESC requests the Commission to allow it to continue to apply the Nuclear Refueling Outage Accrual Mechanism as established in Order No. 2012-951 in all respects and to (a) recognize a levelized nuclear refueling outage expense of \$1,432,401 per month, and (b) record that amount and the expenses incurred in Refueling Outage No. 26 to that account. As contemplated in Order No. 2012-951, the recovery amount is subject to revision in future proceedings as circumstances warrant to ensure that the estimated expenses going forward as well as any balance in these accounts is neither over-recovered or under-recovered.

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The request for relief set forth herein will not involve a change to any of DESC's retail rates or prices, or require any change in any Commission rule, regulation or policy. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this request.

Based on the foregoing, the Company respectfully request that the Commission issue an order authorizing DESC to continue and extend its nuclear outage accrual mechanism for Refueling Outage No. 26.

By copy of this letter, we are serving the South Carolina Office of Regulatory Staff with the Company's request.

Thank you for your time and consideration. If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms

cc: Jeffrey M. Nelson, Esquire
Carri Grube-Lybarker, Esquire
Roger P. Hall, Esquire
(all via electronic mail and U.S. First Class Mail)

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